

Message Text

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ACTION AID-59

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FM AMEMBASSY OUAGADOURGU

TO DEPT OF TREASURY WASHDC IMMEDIATE

SECSTATE WASHDC IMMEDIATE 5925

INFO AMEMBASSY ABIDJAN PRIORITY

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DEPT PASS NAC AGENCIES

E.O. 11652: N/A

TAGS: AFDF, AFDB, EFIN, EAID, UV

SUBJECT: PROPOSED AFDF LOAN TO FINANCE UPPER VOLTA ROAD

REF: ABIDJAN 0234

1. IN RESPONSE TO EMBASSY ABIDJAN'S REQUEST (REFTTEL) FOR OUR VIEWS REGARDING THE ADVISABILITY OF THE PROPOSED DJIBO-DORI ROAD AND THE UPPER VOLTAN REQUEST TO THE AFRICAN DEVELOPMENT FUND (AFDF) FOR U.S. 6.5 MILLION UNIT OF ACCOUNT (APPROX. U.S. \$7.2 MILLION) LOAN TO ASSIST FINANCING OF ROAD, WE SUBMIT FOLLOWING FOR CONSIDERATION OF NATIONAL ADVISORY COUNCIL (NAC). WHILE WE HAVE NO QUALMS WITH ABIDJAN'S SHORT-RUN ECONOMIC ASSESSMENT OF THE ROAD PROJECT, FROM OUR VANTAGE POINT THERE APPEAR OTHER SIGNIFICANT SOCIAL, HUMANITARIAN, AND GEO-POLITICAL FACTORS THAT MERIT CONSIDERATION. WE RECOMMEND TO THE NAC THAT THE USG NOT OPPOSE THE AFDF LOAN.

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2. THE ROAD WOULD LINK THE TWO PRINCIPAL COMMERCIAL AND ADMINISTRATIVE CENTERS OF THE SAHEL REGIONAL DISTRICT (ORD), AND AREA OF UPPER VOLTA WHICH HAS BEEN VERY NEGLECTED. WHILE ADMITTEDLY THERE IS LITTLE TRAFFIC ON THE EXISTING TRACK CONNECTING THE TWO TOWNS, WE FIND A

CIRCULAR LOGIC IN THE ARGUMENT THAT PRESENT TRAFFIC DOES NOT JUSTIFY CONSTRUCTION OF A FUTURE ROAD. AS NOTED, THE POPULATION OF THE AREA IS 350,000 AND WAS SEVERELY EFFECTED BY THE 1969-1974 DROUGHT. DUE TO LACK OF A PASSABLE ROAD, RELIEF FOOD FROM THE U.S. AND OTHER DONORS HAD TO BE AIR-DROPPED INTO THE AREA AT EXORBITANT COST. THE REGION SUFFERS A CHRONIC FOOD DEFICIT. IT IS DIFFICULT TO QUANTIFY IN A COST-BENEFIT ANALYSIS THE VALUE OF HUMAN LIFE.

3. PLANS EXIST MAKING THIS ROAD PART OF A NETWORK. THE UNITED NATIONS SAHEL OFFICE (UNSO) IS CURRENTLY CONSIDERING A ROAD PROJECT BETWEEN DJIBO AND OUAHIGOUYA AND A STUDY IS UNDERWAY BY CENTRE AFRIQUE OF A ROAD CONNECTING DORI, TERA AND NIAMEY. AS ONE RESPECTED EUROPEAN ADVISOR TO THE MINISTER OF PUBLIC WORKS STATED IT IS TOUGH TO JUSTIFY ON STRAIGHT ECONOMIC ANALYSIS ANY ROAD PROJECTS IN UPPER VOLTA. HOWEVER, WITHOUT DECENT TRANSPORTATION THERE CAN BE NO TRANSFER OF RESOURCES AND NO HOPE OF DEVELOPMENT.

4. ROAD MAINTENANCE IS A PROBLEM IN UPPER VOLTA. THE IBRD IS CURRENTLY STUDYING THIS PROBLEM AND IS EXPECTED TO RECOMMEND IMPLEMENTING PLANS TO RELIMITED OFFICIAL USE

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STRUCTURE THE MANAGEMENT OF THE MINISTRY OF PUBLIC WORKS, TO ESTABLISH REGIONAL MECHANICAL WORKSHOPS AND TO ADAPT NEW ROAD-REPAIR TECHNIQUES IN ORDER TO IMPROVE THE MINISTRY'S ABILITY TO DEAL WITH THE MAINTENANCE PROBLEM

5. THE GOVERNMENT OF UPPER VOLTA HAS ESTABLISHED AS A PRIORITY, THE EXTENSION AND UPGRADING OF ITS ROAD NETWORK TO REACH OUTLYING BORDER AREAS. THE REASONS ARE BOTH ECONOMIC AND GEO-POLITICAL. UPPER VOLTA WAS THREATENED WITH A BORDER WAR FROM MALI IN 1975.

6. USAID ENVISAGES SUBSTANTIAL PROGRAMMING IN THE SAHEL ORD IN THE COMING 5 YEARS. DECENT ROAD TRANSPORTATION WOULD, OF COURSE, ENHANCE THE IMPLEMENTATION AND THE IMPACT OF THESE USG FINANCED PROJECTS.

7. THE GOVERNMENT OF UPPER VOLTA, WHICH IS NOTORIOUSLY TIGHT-FISTED, HAS JUDGET THAT THIS ROAD, WHICH IT WILL ULTIMATELY BE PAYING FOR

ITSELF, IS IN ITS OWN BEST INTERESTS.

8. THE GOVERNMENT HAS INDICATED THAT THIS IS A
PRIORITY PROJECT AND CENTRAL TO ITS PLANS FOR THE
DEVELOPMENT OF THE COUNTRY'S NORTHERN SECTOR. A
USG MOVE TO BLOCK THE LOAN WOULD WITHOUT DOUBT
OFFEND VOLTAN SENSIBILITIES AND COULD HAVE
DAMAGING REPERCUSSIONS ON OTHER ASPECTS OF OUR
BILATERAL RELATIONS. GRAHAM

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